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EXECUTIVE COMMITTEE OF THE
HIGH COMMISSIONER'S PROGRAMME

Forty-second session

REPORT OF THE SUB-COMMITTEE ON ADMINISTRATIVE AND FINANCIAL MATTERS*

1. The meeting of the Sub-Committee on 27 June 1991 was opened by His Excellency, Ambassador Franz Ceska of Austria, Vice Chairman of the forty-first session of the Executive Committee and Chairman of the Sub-Committee on Administrative and Financial Matters. He extended a special welcome to the Deputy High Commissioner.

2. The Chairman introduced the proposed agenda and gave a background to the items listed for consideration; the proposed agenda was adopted.

3. The Sub-Committee then turned its attention to the Draft Report of the meeting of 3 May 1991 (EC/SC.2/1991/CRP.12). In addressing this agenda item, the Chairman drew attention to a proposed addendum to paragraph 14 of the Draft Report. The addendum was simply a factual reproduction of several statements made by delegations on the question of the consultant's report on funding mechanisms. The Draft Report was adopted with the proposed addendum.

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* This document was presented to the forty-second session of the Executive Committee of the High Commissioner's Programme under the symbol EC/SC.2/1991/CRP.17.

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Deputy High Commissioner's statement

4. The Sub-Committee then considered the agenda item dealing with current trends in programme/funding requirements 1991/92, in particular the new proposed target for General Programmes (see EC/SC.2/1991/CRP.13).

5. The Chairman invited the Deputy High Commissioner to address the meeting. In introducing his statement, the Deputy High Commissioner congratulated the Sub-Committee on its work over the last year under the energetic chairmanship of Ambassador Ceska; he said that UNHCR had everything to gain from an active Sub-Committee. Not only was this another way of assuring the transparency of its work, but it enabled UNHCR's management to keep in touch with the concerns of delegations.

6. The Deputy High Commissioner then spoke of the issues that had to be addressed if the United Nations and UNHCR was to respond quickly to complex emergencies. Among the requirements for an effective response, he singled out:

- first-rate disaster managers;
- top quality assessment teams;
- a world-wide on-line data base with information on needs, specifications and donations;
- a standby reserve (personnel, supplies and logistics);
- a high quality telecommunications link between New York, Geneva and Rome;
- some form of emergency fund available to the Secretary General and his agencies.

The Deputy High Commissioner went on to say that the constructive interest being shown by governments in the question of response to complex emergencies was appreciated by the High Commissioner and himself.

7. In spite of the generous response of governments to recent emergencies, the Deputy High Commissioner pointed out that various refugee situations still continued to place particular demands on UNHCR and unmet needs remained. Because of recent emergencies, overall needs under both General and Special Programmes had risen from $ 735 million to an estimated $ 980 million. He went on to say that while UNHCR's management had to be vigilant and stay within the limits of funding available for addressing these needs, it was felt that by sharing these increased needs at this early stage with governments, and by obtaining approval for a proposed increase in the General Programmes target, UNHCR would be in a better position to manage its resources and to organize its priorities, especially under General Programmes. The Deputy High Commissioner concluded by asking the Sub-Committee to consider sympathetically the proposed increase in the General Programmes' target from $ 355.6 million to $ 379 million.

General Programmes Target

8. The Controller introduced the Conference Room Paper which gave an update of UNHCR's Programme Expenditure, Funding and the Staffing Situation

(EC/SC.2/1991/CRP.13). In commenting on this document, he underlined the fact that it was not meant to replace the detailed documentation that would be made available prior to the next session of the Executive Committee.

9. As regards the proposed increase of the General Programmes target to $ 379,036,300, the Controller pointed to the significant new needs that had emerged in Africa. These new needs, as well as additional requirements in Yugoslavia and increases in PSA/PPE expenditure were the principal reasons for the proposed revision to the General Programmes target. Offsetting these increases had been important savings due to exchange rate variations. The anticipated reimbursements from WFP for internal transport, storage and handling (ITSH) had been revised upwards from $ 19.4 million to $ 20 million. The proposed revised 1991 budget also included a Programme Reserve of $ 7.5 million for the remainder of the year, as well as $ 20 million for the Emergency Fund.

10. In relation to 1992, the Controller noted that the budget figures presented were for information only; the Executive Committee would be asked to approve the 1992 budget estimates in October 1991. The Controller did, however, point out that the 1992 proposed General Programme budget would include a Programme Reserve amounting to 10 per cent of programmed activities. Such a Programme Reserve would give UNHCR the flexibility it used to have in the past in coping with new requirements under the General Programmes.

11. The Controller noted that in relation to the funding requirements of $ 368.2 million indicated for General Programmes, it was expected that even with a high rate of implementation, there would most likely be a slippage of 2-2.5 per cent which would mean that some $ 7 million might not be required.

12. As regards the overall staffing situation, the Controller again pointed out that the table provided in Conference Room Paper EC/SC.2/1991/CRP.13 (Annex 4) did not replace the more detailed presentation that would be presented to the Executive Committee. The overall increase of 61 posts since 1 January 1991, was primarily attributable to increases in Special Programmes (58 posts). In passing, the Controller observed that efforts to gain an increase of posts funded under the Regular Budget had, to-date, not been very successful. While it was envisaged that there would be some reductions in posts in certain locations in the second half of 1991, the Controller flagged increases in posts for new programmes that were expected to start up (Western Sahara, South Africa) and to strengthen the staffing resources in the Horn of Africa.

13. In the interventions of delegations in support of the proposed increase in the General Programmes target, a number of common observations were made:

- UNHCR had faced an extraordinary year and so the request for an increase to the target was understandable; this should not set a precedent;

- the proposed increase in 1992 in the Programme Reserve should also give more flexibility, thus reducing the need for reviews of the General Programmes' target in the course of the year;

- where possible, UNHCR should absorb additional expenses within available resources, especially through the efficient use of existing staff and innovative human resource management;

- approval of an increase in the target figure does not automatically mean an increase in income, still less is it an authorization to incur a deficit.

14. Numerous delegations expressed concern about the budgetary increases for the Europe and North America region; while the circumstances justifying the expansion of activities were known, it was felt that new demands should be met through the re-programming of assets, or by re-negotiating existing agreements. One delegation expressed concern that the Eastern European Appeal, especially in the light of the response to it, had been absorbed into General Programmes, and even perhaps without a review of its aims and objectives.

15. In response to these concerns, and elaborating on the revised budget and the estimates for 1992 for Europe and North America, the Controller said that the main increase was occasioned by the influx of Albanians into Yugoslavia. Included also in the new figures was provision for the Eastern European Project. The mechanism of absorbing Special Programmes into General Programmes was a long standing practice, and in the case in question this had been done in the light of contacts with relevant governments who had expressed the opinion that the purpose of the Project were within the parameters of General Programmes.

16. A number of delegations in supporting the proposed increase to the General Programmes target, expressed their concern that the new needs in Africa be addressed not only through funding, but effective operational arrangements. One delegation raised questions about how further new needs that might be identified in 1991 were going to be met, and asked for an explanation of the reduced level of the 1992 initial estimates.

17. In replying to these questions on the Africa situation, the Controller said that the intention was to use a range of mechanisms e.g. existing budget lines, the Programme Reserve to meet 1991 new needs etc., before having recourse to any new appeal. He cautioned, however, that this approach would not work if it was a question of new returnee movements, as these would not fit the criteria for General Programmes. In relation to the 1992 African estimates, the reduction was to be explained by a range of factors: one time infrastructure expenditure in 1991; exchange rate changes whose effect would be fully felt in 1992; absence of care and maintenance provisions in one country for which there was currently a special appeal for voluntary repatriation. The Controller pointed out, however, that the 1992 estimates did not include estimates for one country; should the situation change in that country, the estimates would need to be reviewed.

18. At the request of one delegation, the Controller explained the financial implications of an acceptance by governments of the proposed UNHCR-WFP agreement on the revised division of responsibilities. He referred to the

Conference Room Paper EC/SC.2/1991/CRP.13, Annex 2, where the projected expenditure in 1992 on transport was $ 58 million; this did not include the expected reimbursement of $ 20 million for ITSH under existing arrangements. Of the total of $ 78 million, $ 20-25 million would not fall within the envisaged responsibilities of WFP. The balance of approximately $ 35 million represented the additional resources which would be required by WFP (and not UNHCR) if the new arrangements came into effect in 1992. The Controller pointed out that the above potential budgetary reductions for UNHCR referred to General Programmes only.

19. A number of delegations expressed favourable comments on the Deputy High Commissioner's observations on the emergency response capability of the UN system, and in particular of UNHCR. Member States were themselves actively considering this question. The Director of Human Resources Management foreshadowed a paper to be presented by the High Commissioner on this subject to the Executive Committee.

20. The Head of Fund Raising Services in commenting on the extraordinary response of the international community to the world's refugee situation said that in the first six months of 1991, UNHCR had received a record $ 585 million. In relation to General Programmes, the present level of funding meant that already 10 months of the 1991 General Programmes expenditure were assured. He ascribed this positive situation not only to governments making early pledges, but to the fact that several governments had increased their contributions to General Programmes. He reiterated the funding priority of General Programmes. In relation to overall funding requirements, growing needs, especially those associated with voluntary repatriation movements, were underlined. The Head of Fund Raising Services concluded his intervention by appealing to governments to review their humanitarian budgets.

21. In response to questions from delegations, the Director of Human Resources Management expressed the hope that the review of issues such as career development and other personnel issues might have progressed to the extent that certain elements might be implemented in 1992. In regard to a staffing strategy for emergencies, he reiterated his thoughts on the need to assure a balance between seasoned UNHCR staff and external recruitment. In relation to a standby force, the Director explored a number of options for implementing such a strategy.

22. The Chairman in summing up the debate on the proposed increase to the General Programmes target, drew attention to document A/AC.96/XLI/CRP.16 with the text of a proposed resolution. The Sub-Committee agreed to recommend to the Executive Committee the proposed increase and accepted the draft resolution with minor editorial changes. The Deputy High Commissioner thanked the Sub-Committee for their support.

23. At the end of the session, one delegation drew attention to the increasing importance of the work of the Sub-Committee. A distinction between governance and management, especially micro-management was made. The delegate went on to say that what was called for from governments in assisting the management of UNHCR was governance that was characterized by consistency of approach.

24. The meeting closed with an expression of appreciation of the leadership given to the Sub-Committee by the Chairman and of the work of the Austrian delegation in assuring the success of the Sub-Committee's deliberations during the year.